

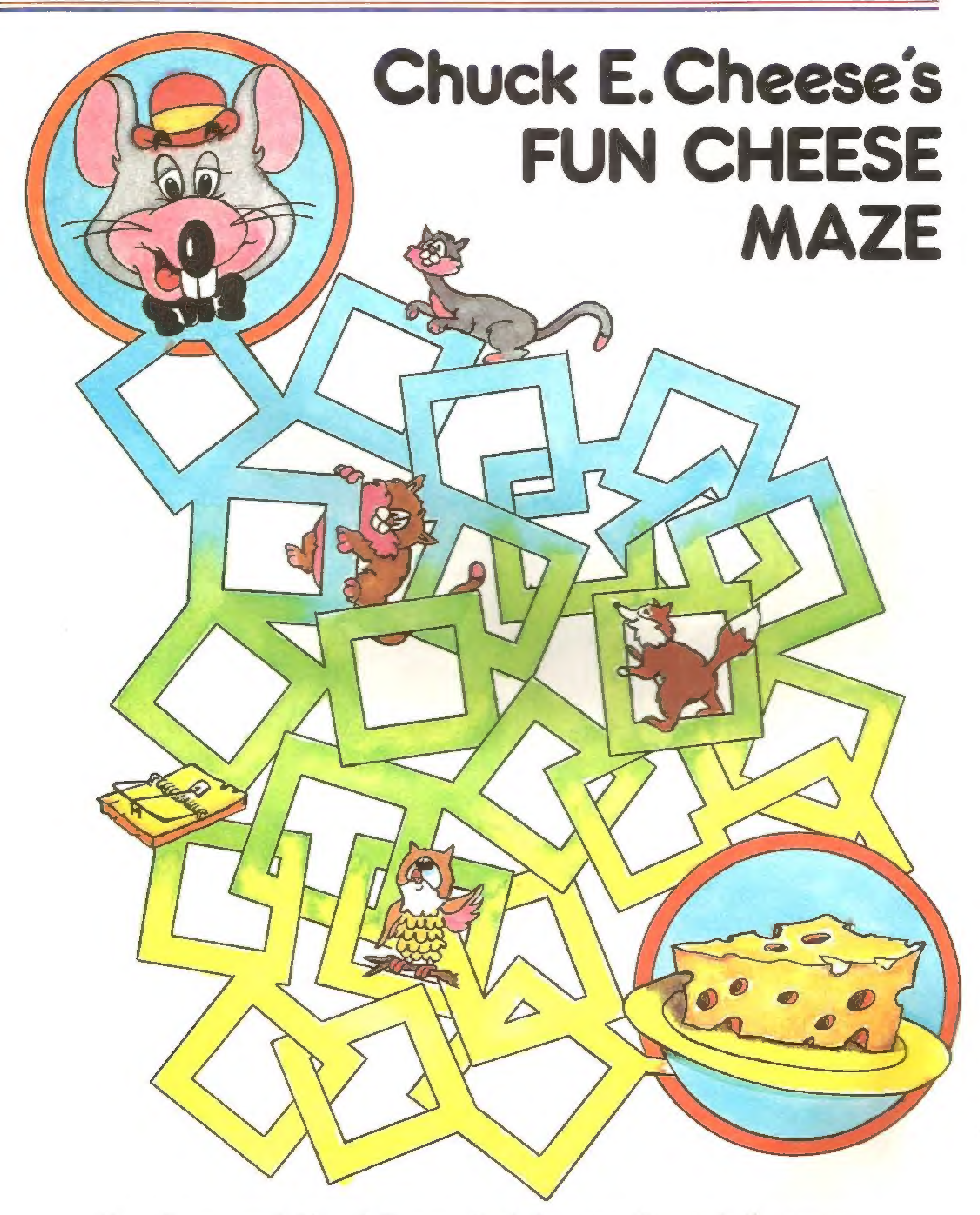
Chuck E. Cheese's

1982

Annual Report

For Kids

Chuck E. Cheese's FUN CHEESE MAZE



See if you and Chuck E. can find the way through the maze to get to the cheese!

Dear Fans:

After each year ends, Chuck E. Cheese's Pizza Time Theatre, Inc. prints an annual report for the owners telling how much money the business made, where the money came from, and how the money was spent. It also tells about the Company's background, and the Company's plans for the future.

This year I have a special report for my special fans—kids! My 1982 annual report for kids tells all about my business from a kid's-eye view, so to speak.

Nineteen eighty-two was a real good year for me. There were more Chuck E. Cheese's Pizza Time Theatres open and operating than ever before—204 to be exact!—and more people coming to have fun than ever before. Because you fans visit my places often, and tell your friends about me, thus making new fans, my business is growing pretty fast. In fact 117 new Chuck E. Cheese's opened last year, and the amount of money the Company made from selling food, game tokens and other things, nearly tripled in 1982.

In 1983, I'm going to use the profits I made last year to open more Pizza Time Theatres, hire more workers, create and build new games and amusements for my places, make new shows for the Pizza Time Players, and produce other things to make Chuck E. Cheese's even more fun. And one more thing. In 1983, a group of kids called the Junior Board of Directors, will be helping me with some good ideas for food, fun and fantasy!

Thanks again for being my fans. After all, if it weren't for kids, I wouldn't be in business!

Yours truly,

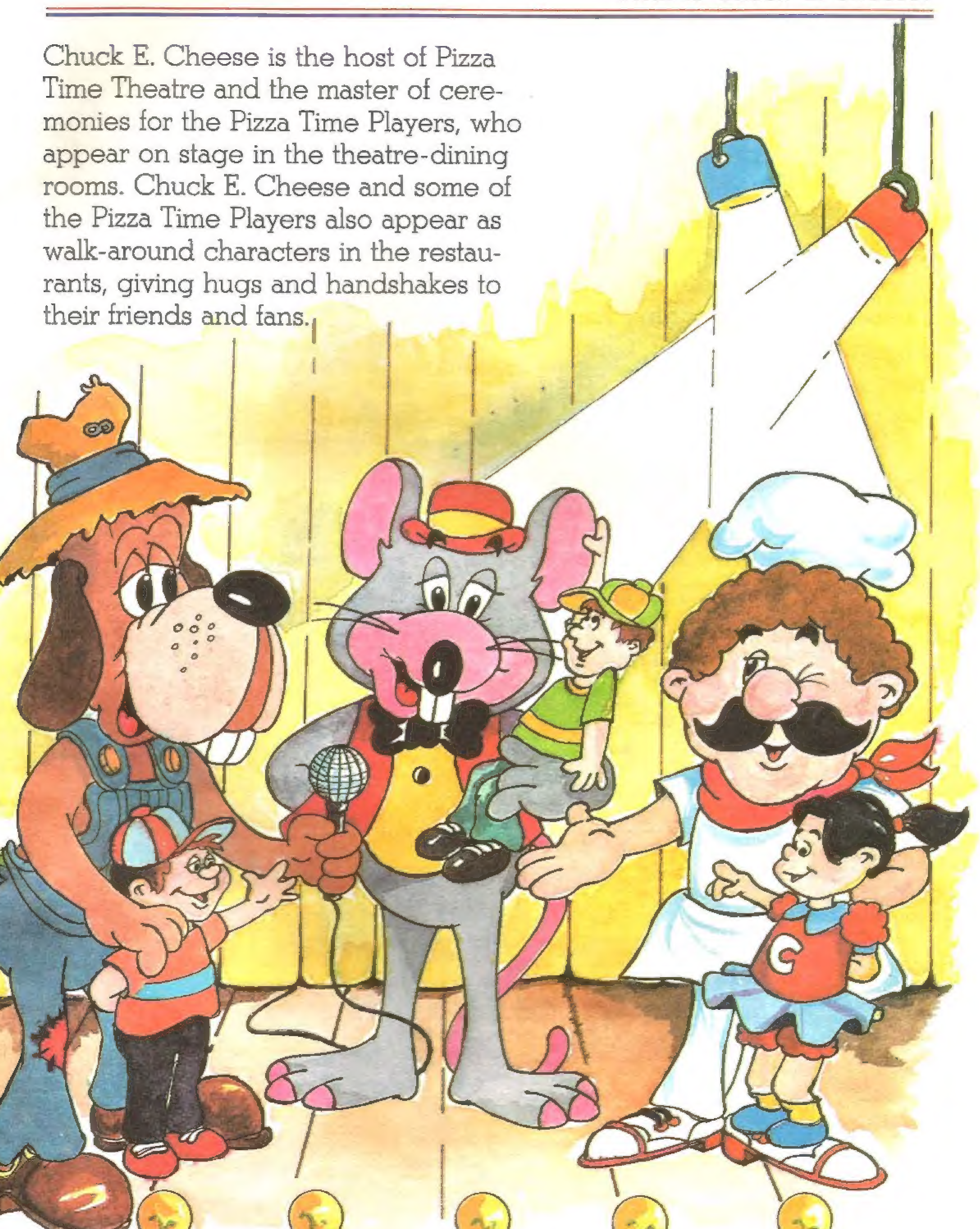
Chuck E. Cheese

Chuck E. Cheese

Chuck E. Cheese's main business is running Chuck E. Cheese's Pizza Time Theatres, a chain of family entertainment centers. Each center is a pizza restaurant with musical stage shows performed by computer-controlled robots called the Pizza Time Players, and other fun things to do. There are video games and nonvideo games like target bowling and air hockey. Chuck E. Cheese's centers also have rides, slides, crawl-through mazes and other play equipment. The games are played with game tokens given with food orders. You can also buy game tokens from dispensers.

FUN FUN FUN

Chuck E. Cheese is the host of Pizza Time Theatre and the master of ceremonies for the Pizza Time Players, who appear on stage in the theatre-dining rooms. Chuck E. Cheese and some of the Pizza Time Players also appear as walk-around characters in the restaurants, giving hugs and handshakes to their friends and fans.



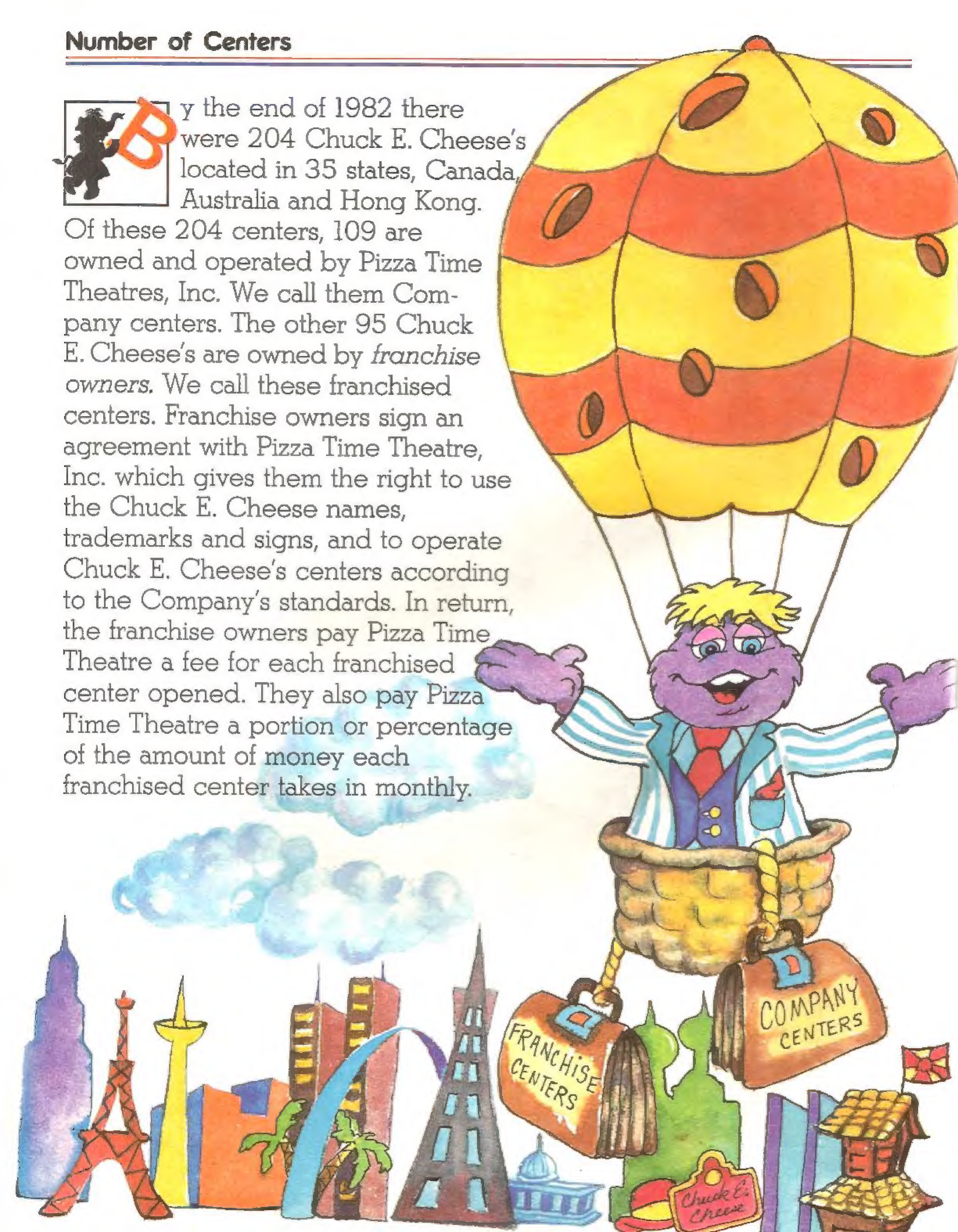
Chuck E. Cheese's Founders

The first Chuck E. Cheese's opened in San Jose, California in May, 1977. The founders are Nolan K. Bushnell, the company's chairman, and Joseph F. Keenan, the company's president. They were the first to think of combining a pizza restaurant with video games and singing robots, and they invented Chuck E. Cheese himself! Their idea was to create a place where families could eat and have fun together. Mr. Bushnell also invented Pong, the first video game!



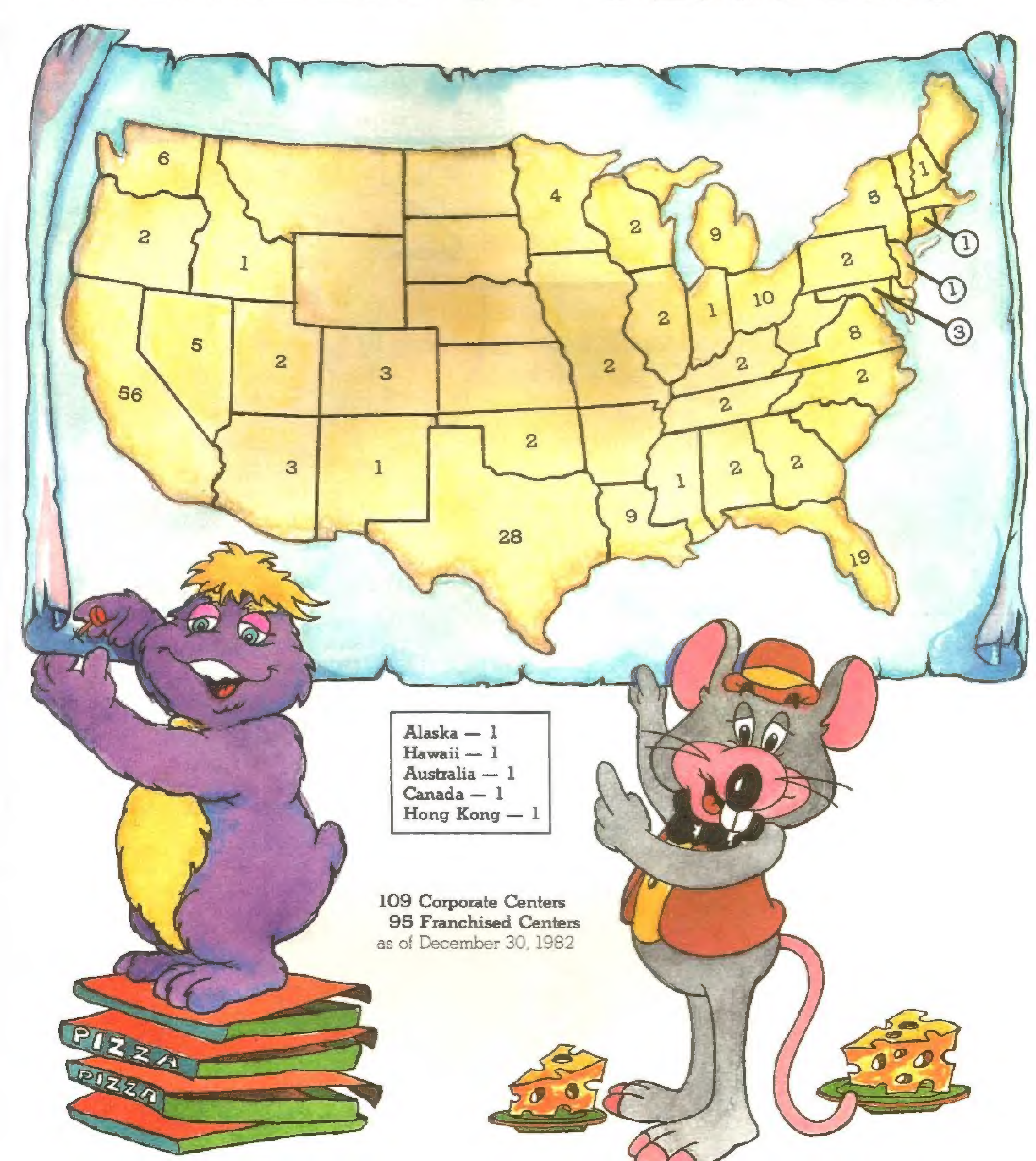


All the people who work for Chuck E. Cheese's Pizza Time Theatre are called *employees*. They include all the workers in Chuck E. Cheese's centers —pizza cooks, dough rollers, managers, cashiers, game technicians and others. Engineers, secretaries, computer programmers, machine operators, costume designers, game buyers, managers and others who work at the Company offices and factories are also employees. In 1982 there were about 1100 full-time Pizza Time employees, and over 10,000 part-time employees working in Chuck E. Cheese's centers all across the country. The Pizza Time family also has cousins and relatives. These are all the people who work for companies and businesses that sell materials and equipment to Pizza Time Theatre. They are called *suppliers*. All the people who make up the Pizza Time family, including its cousins and relatives, are very important because without them there would be no Chuck E. Cheese's Pizza Time Theatres.

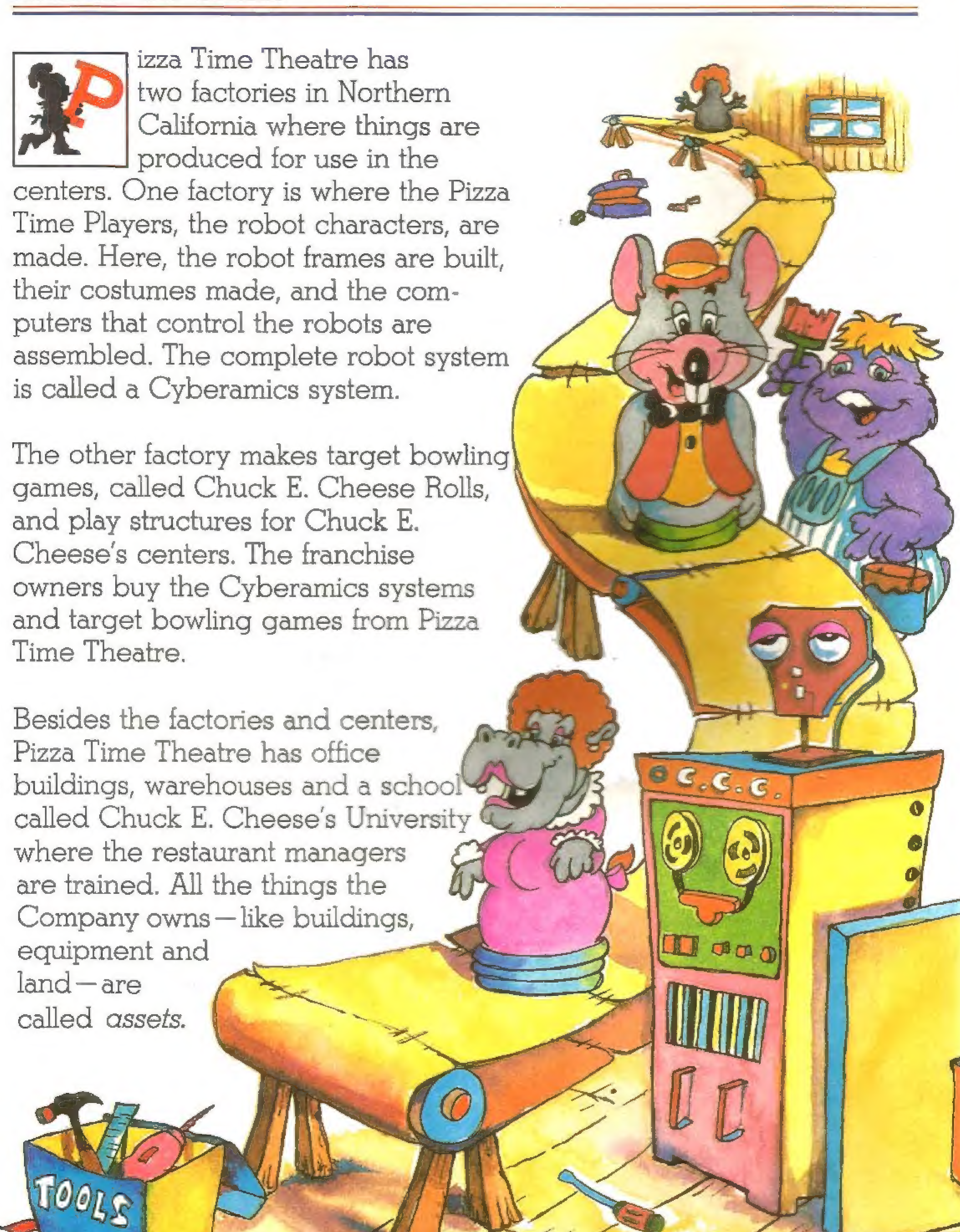


By the end of 1982 there were 204 Chuck E. Cheese's located in 35 states, Canada, Australia and Hong Kong. Of these 204 centers, 109 are owned and operated by Pizza Time Theatres, Inc. We call them Company centers. The other 95 Chuck E. Cheese's are owned by *franchise owners.* We call these franchised centers. Franchise owners sign an agreement with Pizza Time Theatre, Inc. which gives them the right to use the Chuck E. Cheese names, trademarks and signs, and to operate Chuck E. Cheese's centers according to the Company's standards. In return, the franchise owners pay Pizza Time Theatre a fee for each franchised center opened. They also pay Pizza Time Theatre a portion or percentage of the amount of money each franchised center takes in monthly.

NUMBER OF CENTERS



109 Corporate Centers
95 Franchised Centers
as of December 30, 1982



Pizza Time Theatre has two factories in Northern California where things are produced for use in the centers. One factory is where the Pizza Time Players, the robot characters, are made. Here, the robot frames are built, their costumes made, and the computers that control the robots are assembled. The complete robot system is called a Cyberamics system.

The other factory makes target bowling games, called Chuck E. Cheese Rolls, and play structures for Chuck E. Cheese's centers. The franchise owners buy the Cyberamics systems and target bowling games from Pizza Time Theatre.

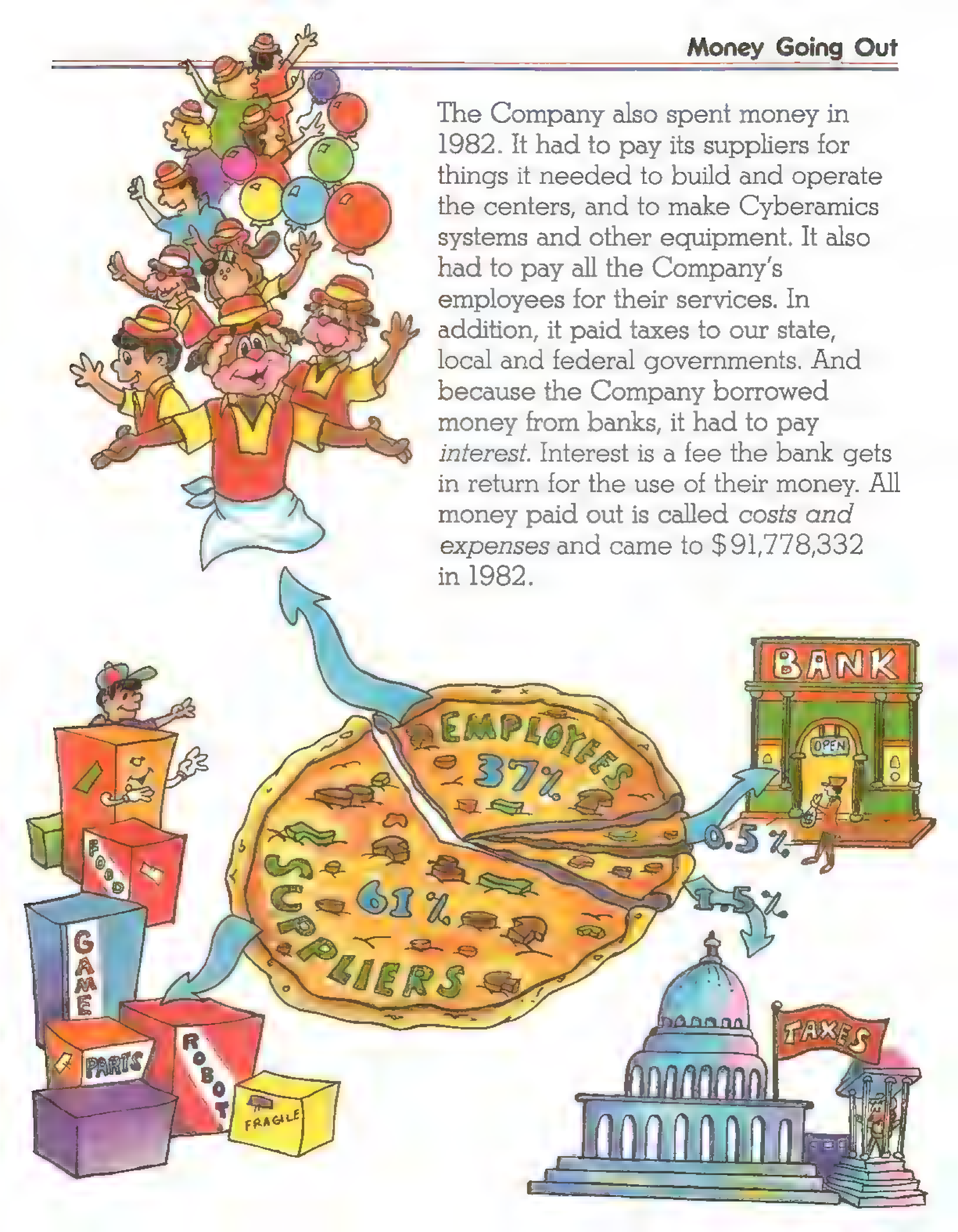
Besides the factories and centers, Pizza Time Theatre has office buildings, warehouses and a school called Chuck E. Cheese's University where the restaurant managers are trained. All the things the Company owns — like buildings, equipment and land — are called *assets.*

It takes a lot of money to buy and produce assets like Chuck E. Cheese's centers, warehouses and offices. Where does the money come from? Most of it comes from shareholders who are the real owners of the Company. To get money to build more Chuck E. Cheese's centers, Pizza Time Theatre sold *shares* in the Company in 1981. The people who bought the shares are called *shareholders.* They paid money to buy shares in the Company because they expect the Company to grow and prosper, and the value of their share to increase. Besides getting money from shareholders, the Company borrows money from banks to help pay for assets.

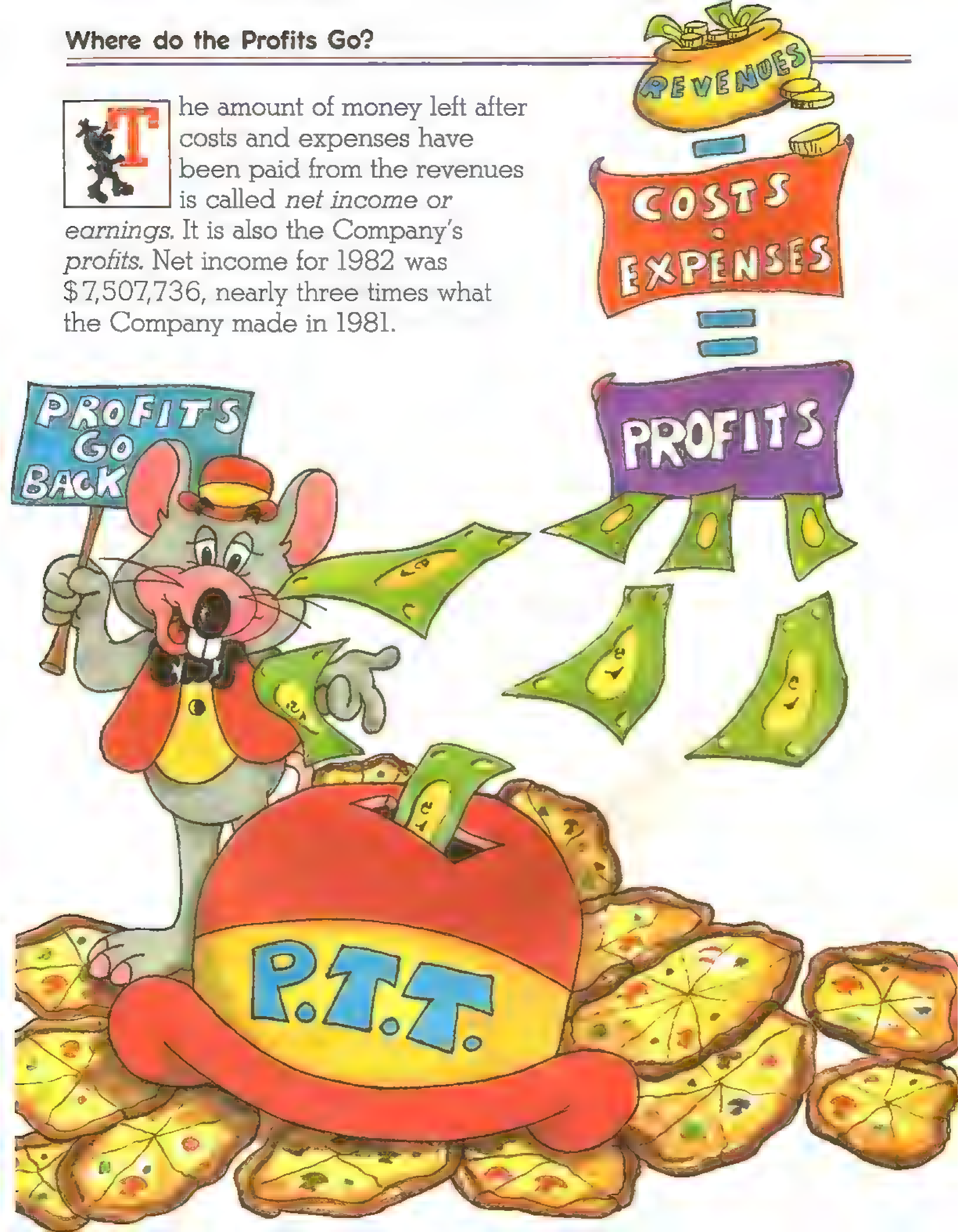


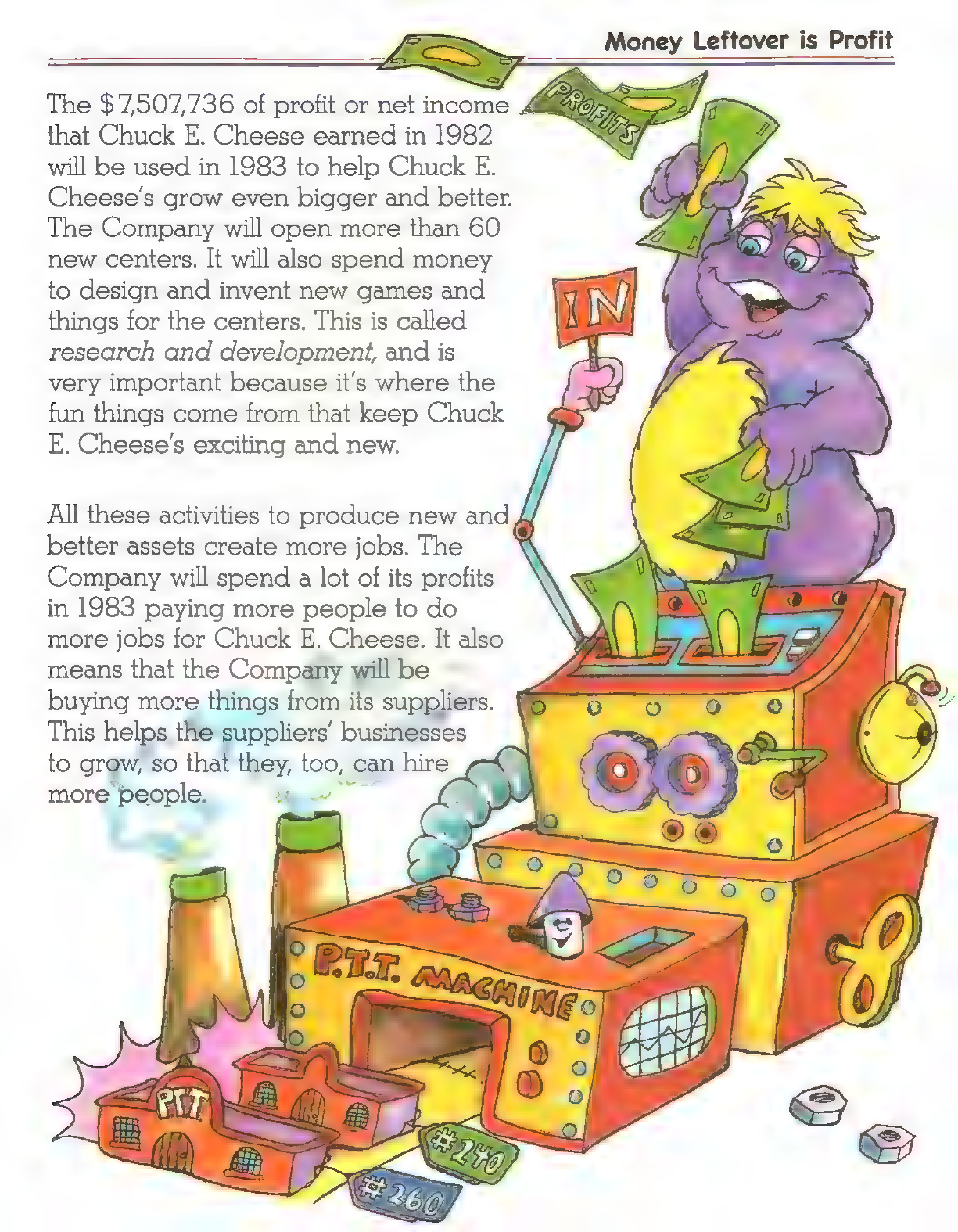
In 1982, customers who came to the Company centers spent $82,580,391 on food, games and merchandise. The Company also took in $16,705,677 in fees from franchise owners and from the sales of equipment to franchise owners. Together, all money taken in is called total *revenues* and came to $99,286,068 in 1982. This was almost three times the amount the company took in the year before.

The Company also spent money in 1982. It had to pay its suppliers for things it needed to build and operate the centers, and to make Cyberamics systems and other equipment. It also had to pay all the Company's employees for their services. In addition, it paid taxes to our state, local and federal governments. And because the Company borrowed money from banks, it had to pay *interest*. Interest is a fee the bank gets in return for the use of their money. All money paid out is called *costs and expenses* and came to $91,778,332 in 1982.



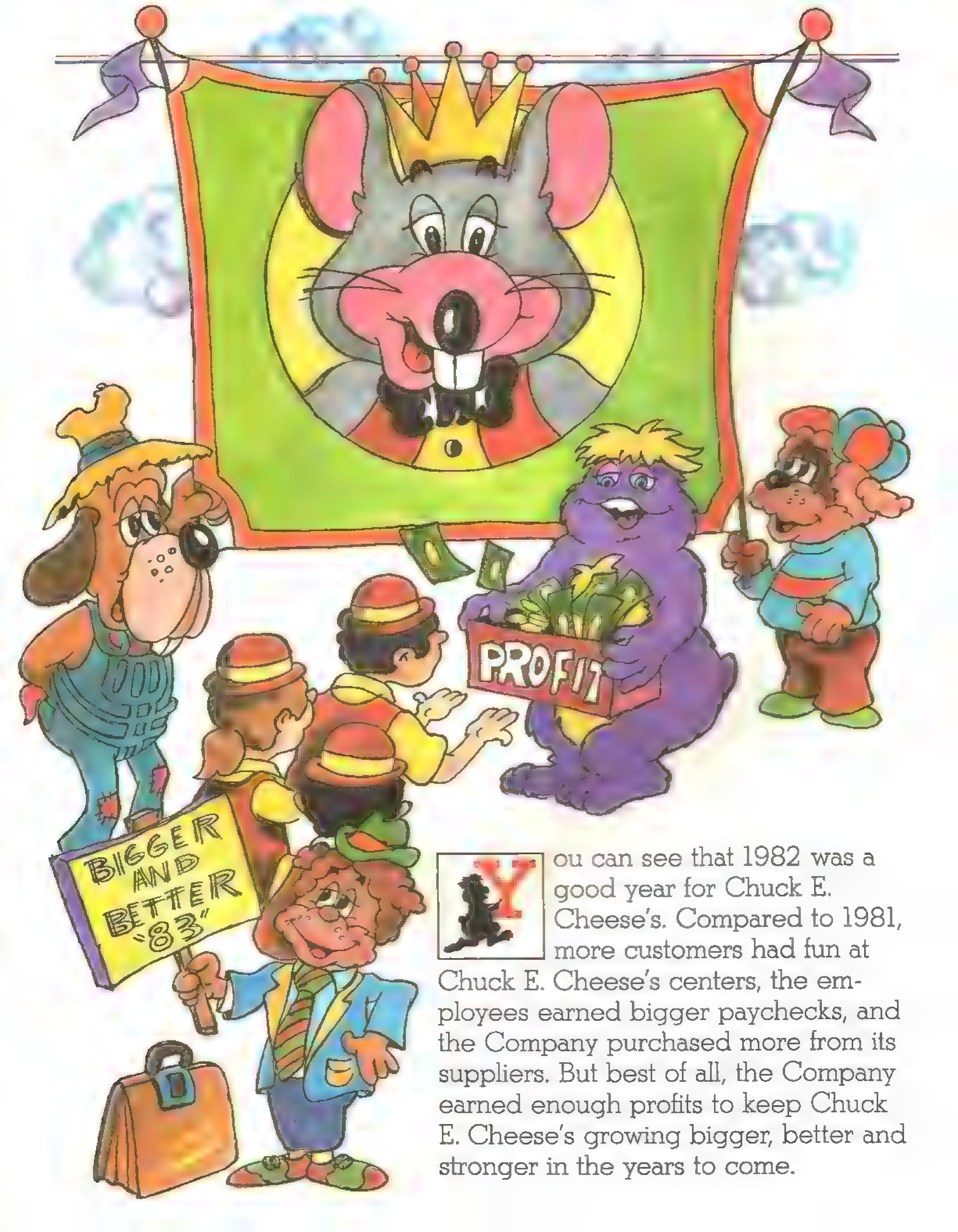
The amount of money left after costs and expenses have been paid from the revenues is called *net income or earnings*. It is also the Company's *profits*. Net income for 1982 was $7,507,736, nearly three times what the Company made in 1981.



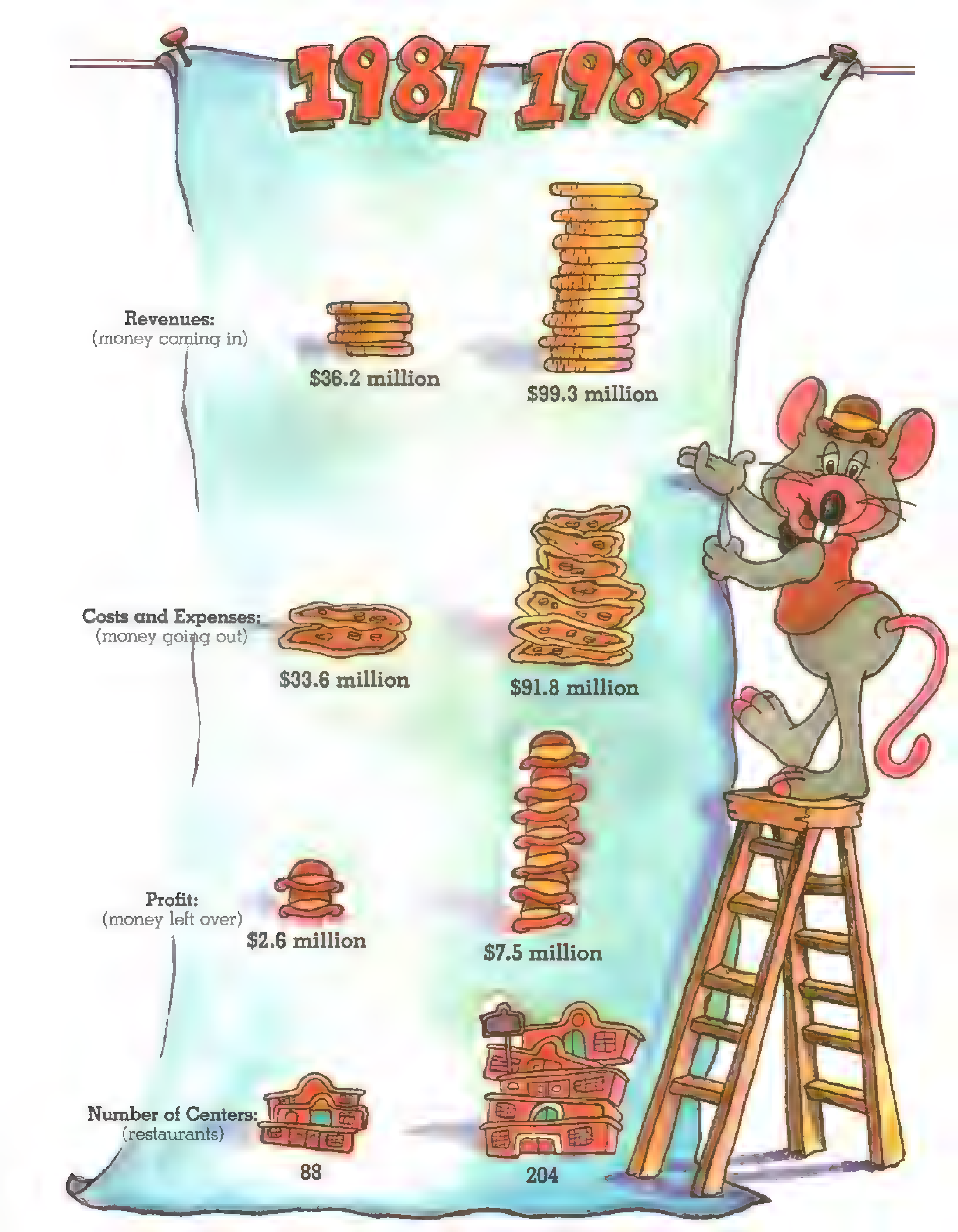


The $7,507,736 of profit or net income that Chuck E. Cheese earned in 1982 will be used in 1983 to help Chuck E. Cheese's grow even bigger and better. The Company will open more than 60 new centers. It will also spend money to design and invent new games and things for the centers. This is called *research and development,* and is very important because it's where the fun things come from that keep Chuck E. Cheese's exciting and new.

All these activities to produce new and better assets create more jobs. The Company will spend a lot of its profits in 1983 paying more people to do more jobs for Chuck E. Cheese. It also means that the Company will be buying more things from its suppliers. This helps the suppliers' businesses to grow, so that they, too, can hire more people.



You can see that 1982 was a good year for Chuck E. Cheese's. Compared to 1981, more customers had fun at Chuck E. Cheese's centers, the employees earned bigger paychecks, and the Company purchased more from its suppliers. But best of all, the Company earned enough profits to keep Chuck E. Cheese's growing bigger, better and stronger in the years to come.


1981 1982
Revenues:
(money coming in)
$36.2 million
$99.3 million
Costs and Expenses:
(money going out)
$33.6 million
$91.8 million
Profit:
(money left over)
$2.6 million
$7.5 million
Number of Centers:
(restaurants)
88
204

Nine things are missing from the bottom page. Can you find them, and draw them in? Then color the pictures.

What do you find in Chuck E. Cheese's Pizza Time Theatres?

Unscramble the words below to find out!

1) O T R S B O ________________

2) M A S G E ________________

3) Z A P Z I ________________

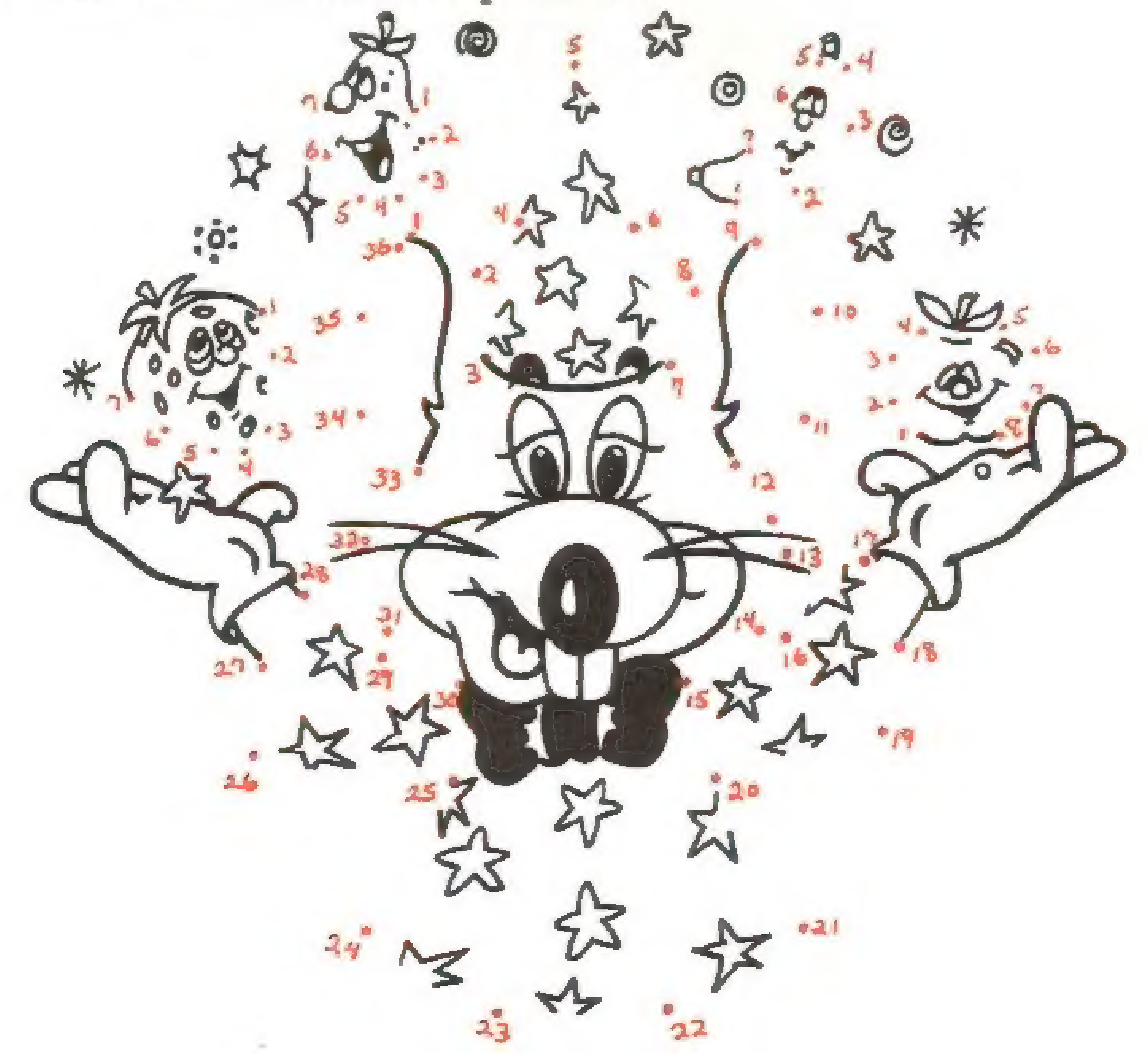
4) A N D E S U S ________________

5) N K E T S O ________________

6) S K D I ________________

Answers: 1) robots 2) games 3) pizza 4) sundaes 5) tokens 6) kids

Who is the magician, and what is he doing? Connect the dots to find out. Then color the picture.





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If you would like additional copies of Chuck E. Cheese's 1982 Annual Report for Kids, please contact Suzie Crocker, Director of Communications, 1213 Innsbruck Drive, Sunnyvale, California 94086.

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